श्री राजीव प्रताप रूही: महोदय, यह प्रश्न है एयर इंडिया चार्टर्स लिमिटेड के द्वारा जो ऑपरेशन्स प्रारम्भ किए जाने वाले थे, ये प्रारम्भ नही किए गए। इसलिए यह प्रश्न ही नही उठता।

Offloading of cross-holdings by Oil PSUs

*103.SHRI N.R.DASARI:†

SHRI V.V. RAGHAVAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Public Sector Oil Companies have decided to offload cross-holdings among them in the stock market; and

(b) if so, the details thereof together with the amount estimated to be raised by each of the PSU oil companies by such offloading and the purpose thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Oil and Natural Gas Corporation Limited (ONGC), Indian Oil Corporation Limited (IOCL), and GAIL(India) Limited (GAIL) have proposed to sell the cross-holding shares to realise the value of investment in these shares, to mobilize resources for funding projects and pay off loans. The likely amount to be raised will depend on the method of offloading and the market price prevailing at the time of offloading. The proposals are under consideration of the Government.

DR. DASARI NARAYANA RAO: There was a news-item in the 'Statesman' on 10th November, 2003 about this cross-holding. What is the need for this sort of backdoor method in the public sector units? According to the Minister's statement in the Consultative Committee Meeting, in the year past, that is, 2002-03, the Government has reaped dividends of 18% and more. That being so, is there any need for this sort of backdoor method, allowing the private people or the private capital into the public sector units?

SHRI RAM NAIK: Sir, there is no question of any backdoor method. The Indian Oil Corporation, ONGC and GAIL have their cross-holdings. In the Tenth Five Year Plan, ONGC has a target of Rs.33,000 crores, IOC—Rs. 24,400 crores and GAIL, Rs.8,400 crores. Some of the

†The question was actually asked on the floor of the House by Shri N. R. Dasari

companies had earlier loans with a higher rate of interest. So, to raise the resources for this Plan, the loans which have higher rates of interest should go, by which the companies would become more profitable. That is the intention. We want to expand, and for that we want to raise the resources.

DR. DASARI NARAYANA RAO: In the same news-item it is mentioned that this sort of cross-holdings were forced on the oil companies in 1998, when the Government wanted to raise the resources to bridge the fiscal deficit. The three oil companies had to shell out a total of Rs. 4,643 crores to buy shares of each other. But that is not the situation now. We are having ample liquidity in each of the oil companies. That being so, why, without getting the consent of the Government, were the companies allowed to make this sort of backdoor business? The Minister should clarify and come out with a credible statement.

SHRI RAM NAIK: Sir, the hon. Member has given the right figure that the proceeds which the Government got because of this cross-holdings in 1998 was Rs. 4643 crores. Now the performance of the oil companies is so good that if I take into account the current rate, as on 3rd December, the proceeds which they will get would be Rs.16,189 crores. That means, the resources will be available, and for that, to answer the last point of the hon. Member's question, we are going to the Cabinet becuase earlier sale was with the direction of the Cabinet. So, we are going to the Cabinet with the proposal of the oil companies. The Cabinet will approve it and then only this transaction will take place.

SHRI V.V. RAGHAVAN: Sir, ONGC, IOC and GAIL, are part of our 'Navaratna' PSUs. We are all proud of that. But it is unconvincing that these PSUs are liable to find resources to pay off previous loans and for new projects. I would like to know from the hon. Minister whether there is any other compulsions for this. Are we making a ground for privatisation?

SHRI RAM NAIK: Sir, there are no compulsions. There have been cross-investments. Now, the shares are being sold or will be sold in the market. So, many shareholders will get the benefit of it. So, there is no question of, particularly, disinvestment in this respect, because it has nothing to do with the disinvestment. The oil companies are having shares of other companies:

SHRI C. RAMACHANDRAIAH: Selling itself is a disinvestment.

SHRI RAM NAIK: The oil companies are having shares of other companies and they will be off loaded in the market. So, the Government's part of disinvestment doesn't come into the picture, at all.

SHRI PRANAB MUKHERJEE: Sir, while replying to the main question, the hon. Minister said, and perhaps correctly, that was done in order to raise the resources for expansion during the Tenth Plan, as also for implementing the projects related to the oil industry. One can understand that. But, at the same time, I find that while giving reply to another question on this very day, he is saying that these oil companies particularly these three oil companies, the ONGC, GAIL and IOC are investing in companies or activities which have nothing to do with the oil activities—oil exploration or oil exploitation. For instance, the ONGC has invested Rs. 24 crores in Pawan Hans Ltd., the GAIL has invested Rs. 27 crores in Gujarat State Energy Generation and the IOC has invested Rs. 10.16 crores in Panipat Power Consortium. What is the priority before the oil companies to setoff the high cost borrowings by utilising their surplus resources or to invest them in the matters related to oil activities? Therefore, if you have investible resources, you do it in your own sector first before going to other sectors. I would like to have a clarification on this from the hon. Minister.

SHRI RAM NAIK: Sir, I am not exactly sure whether a Member can refer to the reply which is yet to come on the Table. *...(Interruptions)...* But it is a quetion of propriety that is why I am saying it. *...(Interruptions)...*

SHRI PRANAB MUKHERJEE: It is not a question of propriety. *...(Interruptions)...* I am quoting from your statement. *...(Interruptions)...*

SHRI RAM NAIK: I am not denying that. *...(Interruptions)...*

SHRI PRANAB MUKHERJEE: This information is shared by you. *...(Interruptions)...* I am quoting from your statement. *...(Interruptions)...* I am quoting from your statement that I have in my hands. *...(Interruptions)...* Where is the question of propriety? *...(Interruptions)...* Mr. Chairman, Sir, most respectfully I would like to know from the hon. Minister what impropriety I have indulged in. *...(Interruptions)...*

MR. CHAIRMAN: There is no question of impropriety. *...(Interruptions)...*

SHRI PRANAB MUKHERJEE: Thank you, Sir.

SHRI RAM NAIK: Sir, the point is this. He referred to the ONGC investing in Pawan Hans. Now, the Pawan Hans runs helicopters. Helicopters are needed for Mumbai High and other places. Now, there is investment in Pawan Hans—long back and not now—so that the Pawan Hans can also do better. In the operation of the Pawan Hans, so many helicopters are required by the ONGC. It facilitates the work of the ONGC and also of the Pawan Hans. That is why some sort of investment is there. It is for this purpose the investment is made by the ONGC. That is the purpose.

*104. [The questioner (Shri Anil Sharma) was absent. For answer *vide* page 46. *infra.]*

Research on Himalayan Glacier Hydrology

* 105. SHRI K. RAMA MOHANA RAO: Will the Minister of WATER RESOURCES be pleaed to state:

(a) whether an International Group consisting of Scientists from UK, Nepal and India conducting Research on Himalayan Glacier Hydrology has concluded that as glacier system is melting under global warming, water from the Himalayas will make river Ganga monsoon fed;

(b) whether they have also held a view that the proposed linking of rivers will not be viable after 25 years; and

(c) if so, what is Government's reaction in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI BIJOYA CHAKRAVARTY): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) .A consortium led by the Centre for Ecology and Hydrology, Wallingford, UK and involving the International Centre for Integrated Mountain Development (ICIMOD), Kathmandu, Nepal; His Majesty's Government of Nepal Department of Hydrology and Meteorology, Tribhuvan University (Nepal); Jawaharlal Lai Nehru University (India); and the University of Salford, UK has started a project called "Snow and Glacier Aspects of Water Resources Management in the Himalaya (SAGARMATHA)".